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Tangipahoa Parish Library  
(a component unit of the  
Tangipahoa Parish Council)  
Amite, Louisiana

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Annual Financial Statements

As of and for the Year Then Ended December 31, 2006  
With Supplemental Information Schedules

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/15/07



**BRUCE HARRELL & COMPANY**  
CERTIFIED PUBLIC ACCOUNTANTS  
A Professional Accounting Corporation

**Tangipahoa Parish Library**  
**Annual Financial Statements**  
**As of and for the Year Ended December 31, 2006**  
**With Supplemental Information Schedules**

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**Tangipahoa Parish Library**  
**Annual Financial Statements**  
**As of and for the Year Ended December 31, 2006**  
**With Supplemental Information Schedules**

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Bruce C. Harrell, CPA

Dale H. Jones, CPA  
Eric J. Rodrigue, CPA

INTERNET  
[www.teamcpa.com](http://www.teamcpa.com)

MEMBERS  
American Institute of CPAs  
Society of Louisiana CPAs



BRUCE HARRELL  
and COMPANY

CERTIFIED PUBLIC ACCOUNTANTS  
A Professional Accounting Corporation

109 West Minnesota Park  
Park Place Suite 7  
Hammond, LA 70403  
VOICE: (985) 542-6372  
FAX: (985) 345-3156

KENTWOOD OFFICE  
P.O. Box 45 - 909 Avenue G  
Kentwood, LA 70444  
VOICE: (985) 229-5955  
FAX: (985) 229-5951

### **Independent Auditor's Report**

To the Board of Control  
Tangipahoa Parish Library  
Tangipahoa Parish Council  
Amite, Louisiana 70422

We have audited the accompanying financial statements of the governmental activities and each major fund of the Tangipahoa Parish Library, a component unit of the Tangipahoa Parish Council, Louisiana as of and for the year ended December 31, 2006, as listed in the table of contents. These basic financial statements are the responsibility of Tangipahoa Parish Library's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund and the aggregate remaining fund information of Tangipahoa Parish Library, as of December 31, 2006, and the respective changes in the financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 25, 2007 on our consideration of the Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be read in conjunction with this report in considering the results of our audit.

To the Board of Control  
Tangipahoa Parish Library  
Amite, Louisiana 70422  
Page 2

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions of the financial statements that collectively comprise the Library's basic financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Library. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation the basic financial statements taken as a whole.

A handwritten signature in black ink that reads "Bruce Harrell & Co." with a stylized flourish at the end.

Bruce Harrell & Company, CPAs  
A Professional Accounting Corporation  
May 25, 2007

# Required Supplemental Information (Part I)

## Management's Discussion and Analysis

## **Tangipahoa Parish Library**

### **Management's Discussion and Analysis As of and for the Year Ended December 31, 2006**

#### **Introduction**

The Tangipahoa Parish Library (the Library) is a public library system established in 1944 for the purpose of making available to all citizens of the parish books, other library materials, and technology for education, information, and recreation. The library strives to maintain a program of service to locate information, guide reading, promote literacy, and provide the most effective use of library resources.

Management's Discussion and Analysis (MD&A) is a required element of the reporting model adopted by the Government Accounting Standard's Board (GASB) in their statement number 34. Its purpose is to provide an overview of the financial activities of the Library based on currently known facts, decisions, or conditions.

#### **Financial Highlights**

- Ad Valorem taxes reflect an authorized and levied millage of 5.81 which resulted in \$1,941,142 of ad valorem tax revenue.
- Total revenue for 2006 was \$2,414,637 on a government wide basis. This revenue includes parish ad valorem taxes, state revenue sharing, interest, grant funds, charges for laminating and photo copies, gifts, miscellaneous fees and fines.
- Library expenditures for 2006 totaled \$1,653,820 on a government wide basis. Expenditures include: library administration – personnel salaries and benefits, operating services - utilities, communications, maintenance of grounds, buildings, and equipment, insurance on facilities, grounds, and vehicles; materials and supplies - office, buildings, grounds, vehicle, and library supplies; Travel - continuing education travel and expenses; depreciation and intergovernmental expenditures - contributions to retirement systems.

#### **Overview of the Annual Financial Report**

The financial statement focus is on both the Library as a whole and on the major individual funds. Both perspectives, government-wide and major funds, allow the user to address relevant questions, broaden a basis for comparison, and enhance the Library's accountability. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The MD&A is intended to serve as an introduction to the Library's basic financial statements, which consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.



## **Tangipahoa Parish Library**

### **Management's Discussion and Analysis As of and for the Year Ended December 31, 2006**

#### **Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the Library's finances in a manner similar to a private-sector business. If the Library determines that presentation of a component unit (which are other governmental units for which the Library can exercise significant influences or for which the Primary Government financial statements would be misleading if component unit information is not presented) is necessary to allow the reader to determine the relationship of the component unit and primary government, the component unit information is presented in a separate column of the financial statements or in a separate footnote. For the current fiscal year, the Tangipahoa Parish Library has no component units.

The Statement of Net Assets presents information on the Library's assets and liabilities using the accrual basis of accounting, in a manner similar to the accounting used by private business enterprises. The difference between the assets and liabilities is reported as net assets. Over time, the increases or decreases in net assets and changes in the components of net assets may serve as a useful indicator of whether the financial position of the Library is improving or deteriorating.

The Statement of Activities presents information showing how the Library's net assets changed during the most recent fiscal year, focusing on both the gross and net costs of various activities. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. The purpose of the Statement of Activities is to demonstrate the financial reliance of the governmental type activities or functions of the Library on revenues provided by the taxpayers.

#### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Library uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. The Library uses a single category of funds to account for financial transactions: governmental funds. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar.

Governmental funds are used to account for most of the Library's basic services. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances that are left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Library's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Library's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, there are differences in the information presented for government funds and for governmental activities in the government-wide financial statements. Review of these differences provides the reader of the financial statements insight on the long-term impact of the Library's more immediate decisions on the current use of financial resources. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

**Tangipahoa Parish Library**

**Management's Discussion and Analysis  
As of and for the Year Ended December 31, 2006**

**Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to this report begin on page 23.

**Other Supplemental Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information following the notes to the financial statements in this report.

**Government-Wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The following table provides a summary of the Library's net assets for the current year as compared to the prior year. For more detailed information, see the Statement of Net Assets in this report.

**Net Assets  
2006 and 2005**

	<b>Governmental Activities</b>	
	<b>2006</b>	<b>2005</b>
Assets:		
Current and Other Assets	\$ 4,244,952	\$ 3,528,900
Capital Assets	3,455,310	3,405,460
Total Assets	<u>7,700,262</u>	<u>6,934,360</u>
Liabilities:		
Other Liabilities	196,304	191,218
Total Liabilities	<u>196,304</u>	<u>191,218</u>
Net Assets:		
Invested in Capital Assets	3,455,310	3,405,460
Restricted	-	-
Unrestricted	4,048,648	3,337,682
Total Net Assets	<u>\$ 7,503,958</u>	<u>\$ 6,743,142</u>

The Library's assets at December 31, 2006, exceed liabilities by \$7,503,958 (net assets), with the Library reporting positive balances in both categories of net assets. Of the total net assets, \$4,048,648 are Unrestricted Net Assets. The balance of net assets includes a total of \$3,455,310 Invested in Capital Assets, consisting of the Library's net investment in library equipment and vehicles, books, and facilities improvements. The investment in Capital Assets matches the amount recorded for Capital Assets (net of depreciation) since the Library has not incurred, and applicable statutes prohibit the Library from incurring, long-term debt.

The largest components of the "Current and Other Assets" category are investments totaling \$2,202,801, consisting of funds deposited within the Louisiana Asset Management Pool, Inc. (LAMP), and receivables consisting primarily of an ad valorem tax receivable of \$1,937,411 and a state revenue sharing receivable of \$101,326.

# **Tangipahoa Parish Library**

## **Management's Discussion and Analysis As of and for the Year Ended December 31, 2006**

Other Liabilities, totaling \$196,304 consist primarily of accounts payable, payroll related liabilities, deductions from property tax distributions for pension fund obligations and unearned grant revenue.

### **Changes in Net Assets For the years ended December 31, 2006 and 2005**

	Governmental Activities	
	2006	2005
Revenues:		
Program Revenues:		
Charges for Services	\$ 61,562	\$ 51,071
General Revenues:		
Ad Valorem Taxes	1,941,142	1,869,249
Intergovernmental	221,361	166,735
Interest Income	137,040	68,368
Other	53,532	4,143
Total Revenues	<u>2,414,637</u>	<u>2,159,566</u>
Expenses:		
Library Services	<u>1,653,820</u>	<u>1,417,959</u>
Total Expenses	<u>1,653,820</u>	<u>1,417,959</u>
Change in Net Assets	760,817	741,607
Net Assets, Beginning	6,743,141	6,001,535
Net Assets, Ending	<u>\$ 7,503,958</u>	<u>\$ 6,743,142</u>

The major component of Program Revenues, consists of charges for fines and fees at branch library locations totaling \$61,562. The major General Revenue sources are ad valorem taxes totaling \$1,941,142, state revenue sharing totaling \$152,062, and interest earnings totaling \$137,040.

Ad valorem taxes increased \$71,893 from last year. Interest earnings increased by \$68,672 due to improving interest rates.

Program expenses shown in the Summary of Changes in Net Assets are not detailed since the level of detail for presentation of expenses on a functional basis would be the same as presented in the Statement of Activities. The largest expense category of expenses was for personnel services, totaling \$833,541.

Other significant expenses on the government wide level include stolen, destroyed, or obsolete books of \$92,632, which reduce the value of the library collection, communications at \$121,725 and repairs and maintenance of \$98,280.

**Tangipahoa Parish Library**  
**Management's Discussion and Analysis**  
**As of and for the Year Ended December 31, 2006**

**Fund Financial Analysis**

As noted previously, the Library's sole governmental fund is used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Within the fund statements, the Library recorded an excess of revenues and other sources over expenditures and other uses of \$710,967 resulting in a fund balance of \$4,048,648 at December 31, 2006.

**Capital Assets**

The Library's investment in capital assets for its governmental activities as of December 31, 2006 amounts to \$3,455,310 (net of depreciation). The total increase in the Library's investment in capital assets for the current fiscal year was \$49,850 (net of depreciation). An inventory of all assets of the Library was performed in December 2006. On October 26, 2006, the Board of Control approved a list of assets to be declared surplus effective January 1, 2006. The original costs of these assets was \$120,834. A loss of \$210 on the dispositions has been reported.

The following table provides a summary of the Library's capital assets (net of depreciation) at the end of the current year as compared to the prior year. For more detailed information, see Note 6 to the financial statements in this report.

**Capital Assets (Net of Depreciation)**  
**2006 and 2005**

	<b>Governmental Activities</b>	
	<b>2006</b>	<b>2005</b>
<b>Capital Assets</b>		
Library Collection	\$ 3,236,014	\$ 3,191,846
Vehicles	158,882	158,882
Equipment and Furniture	504,299	549,538
Leasehold Improvements	175,971	175,971
Subtotal Capital Assets	4,075,166	4,076,237
Less: Accumulated Depreciation	(619,856)	(670,777)
<b>Capital Assets, Net</b>	<b>\$ 3,455,310</b>	<b>\$ 3,405,460</b>

**General Fund Budgetary Highlights**

The Library demonstrated legal compliance by adopting its budget in accordance with provisions of the Local Government Budget Act. As required by state law, actual revenues and other sources were within 5% of budgeted revenues and other sources, and actual expenditures and other uses did not exceed budgeted expenditures and other uses by 5%.

For the general fund, actual revenues and other sources exceeded the original/final budgeted amounts by \$524,091. Actual expenditures were below budgeted amounts by \$145,620. Other financing source budgeted amounts of \$750,000 for a potential new Amite branch and administrative offices were postponed from the 2006 fiscal period and are still in the planning stages for a future fiscal period.

The Library did not amend its budget for 2006.

## **Tangipahoa Parish Library**

### **Management's Discussion and Analysis As of and for the Year Ended December 31, 2006**

#### **Economic Factors and Next Year's Budget**

The Library's 2007 budget will show an increase in Library Administration due to increases in employee's salaries, benefits (health insurance and retirement contributions), and additional staff. In addition, the Library has budgeted \$1,250,000 as an other use for the acquisition of land and construction of a new library in Amite. As of the date of this report, no land has been acquired.

#### **Other Factors Affecting the Library**

The Library has continued its programming and services to the public, expanded its facilities, and maintains an adequate number of staff to support the library's program. Additional professional level librarians are desirable to facilitate the maximum use of the Library and its services. Enthusiastic staff members continue to develop successful programs and two grants enabled the Library to provide entertainment and educational activities. Technology continues to be the Library's biggest challenge: updating hardware and software, maintenance, service, and availability of an adequate number of computers.

The annual operations and maintenance budget enables the Library to provide building and ground maintenance.

#### **Contacting the Library's Financial Management**

This financial report is designed to provide the Library's citizens and taxpayers with a general overview of the Library's finances and show the Library's accountability for the money it receives. Questions regarding this report or requests for additional information should be addressed to Christopher Kueschmann, Director, Tangipahoa Parish Library, 200 East Mulberry Street, Amite, LA 70422.

**Basic Financial Statements**  
**Government-Wide Financial Statements**

**Tangipahoa Parish Library  
Statement of Net Assets  
As of December 31, 2006**

**Statement A**

	<b>Primary Government Governmental Activities</b>
<b>Assets</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 3,283
Investments	2,202,801
Receivables, Net:	
Ad Valorem Taxes	1,937,411
State Revenue Sharing and Other	101,457
Total Current Assets	<u>4,244,952</u>
Capital Assets:	
Library Collection	3,236,014
Capital Assets, Net	219,296
Total Capital Assets	<u>3,455,310</u>
<b>Total Assets</b>	<u><u>7,700,262</u></u>
<b>Liabilities</b>	
Current Liabilities:	
Accounts Payable	47,122
Other Accrued Payables	39,653
Deductions from Ad Valorem Taxes	79,411
Deferred Revenue	30,118
Total Current Liabilities	<u>196,304</u>
<b>Total Liabilities</b>	<u>196,304</u>
<b>Net Assets</b>	
Invested in Capital Assets	3,455,310
Unrestricted	4,048,648
<b>Total Net Assets</b>	<u><u>\$ 7,503,958</u></u>

The accompanying notes are an integral part of this statement.

## Statement B

**Tangipahoa Parish Library**  
**Statement of Activities**  
**For the year ended December 31, 2006**

	<u>Program Revenues</u>			<u>Revenues and Changes of Primary Government</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Net (Expenses) Revenues</u>	<u>Governmental Activities</u>
<b>Governmental Activities</b>				
Library Services	\$ 1,653,820	\$ 61,562	\$ (1,592,258)	\$ (1,592,258)
<b>Total Governmental Activities</b>	<u>1,653,820</u>	<u>61,562</u>	<u>(1,592,258)</u>	<u>(1,592,258)</u>
<b>General Revenues:</b>				
Ad Valorem Taxes				1,941,142
State Revenue Sharing				152,062
Grants				69,299
Interest				137,040
Donations of Capital Assets				7,500
Miscellaneous				7,348
Loss on Disposition of Capital Assets				(210)
Insurance Proceeds				<u>38,894</u>
<b>Total General Revenues and Transfers</b>				<u>2,353,075</u>
<b>Change in Net Assets</b>				<u>760,817</u>
<b>Net Assets - Beginning</b>				<u>6,743,141</u>
<b>Net Assets - Ending</b>				<u>\$ 7,503,958</u>

The accompanying notes are an integral part of this statement.



**Basic Financial Statements**  
Fund Financial Statements

**Tangipahoa Parish Library**  
**Balance Sheet, Governmental Funds**  
**As of December 31, 2006**

**Statement C**

	<u><b>General Fund</b></u>
<b>Assets</b>	
Cash and Equivalents	\$ 3,283
Investments	2,202,801
Receivables, Net:	
Ad Valorem Taxes	1,937,411
State Revenue Sharing and Other	101,457
<b>Total Assets</b>	<u><u>4,244,952</u></u>
<b>Liabilities and Fund Balances</b>	
Liabilities:	
Accounts Payable	47,122
Other Accrued Liabilities	39,653
Deferred Revenue	30,118
Deductions from Ad Valorem Taxes	79,411
<b>Total Liabilities</b>	<u>196,304</u>
Fund Balances:	
Unreserved Fund Balances	3,548,648
Designated Fund Balances	500,000
<b>Total Fund Balances</b>	<u><u>4,048,648</u></u>
<b>Total Liabilities and Fund Balances</b>	<u><u>\$ 4,244,952</u></u>

The accompanying notes are an integral part of this statement.

**Statement D**

**Tangipahoa Parish Library  
Reconciliation of the Governmental Funds Balance Sheet  
to the Government-Wide Financial Statement of Net Assets  
As of December 31, 2006**

Amounts reported for governmental activities in the Statement of Net Assets are different because:

<b>Fund Balances, Total Governmental Funds (Statement C)</b>	<b>\$</b>	<b>4,048,648</b>
--------------------------------------------------------------	-----------	------------------

Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds.

Governmental capital assets net of depreciation		3,455,310
-------------------------------------------------	--	-----------

<b>Net Assets of Governmental Activities (Statement A)</b>	<b>\$</b>	<b><u>7,503,958</u></b>
------------------------------------------------------------	-----------	-------------------------

The accompanying notes are an integral part of this statement.

**Tangipahoa Parish Library  
Statement of Revenues, Expenditures and  
Changes in Fund Balances  
For the year ended December 31, 2006**

**Statement E**

	<b>General Fund</b>
<b>Revenues</b>	
Ad Valorem Taxes	\$ 1,941,142
State Revenue Sharing	152,062
Fines and Fees	61,562
Grants	69,299
Interest	137,040
Miscellaneous	7,348
<b>Total Revenues</b>	<u>2,368,453</u>
<b>Expenditures</b>	
Library Services	
Personnel Services	
Salaries	550,087
Benefits	272,431
Payroll Taxes	11,023
Operating Services	
Automation of Records	37,840
Communications	121,725
Insurance	55,366
Intergovernmental Expenditures	79,410
Other operating	28,171
Professional Fees	27,860
Rent	73,856
Repairs and Maintenance	98,280
Supplies	60,623
Utilities	74,813
Capital Outlays	204,895
<b>Total Expenditures</b>	<u>1,696,380</u>
<b>Excess (Deficiency) of Revenues Over (Under) (Expenditures)</b>	<u>672,073</u>
<b>Other Financing Sources (Uses)</b>	
Other Revenue - Insurance Proceeds	38,894
<b>Total Other Financing Sources (Uses)</b>	<u>38,894</u>
<b>Net Change in Fund Balances</b>	<u>710,967</u>
<b>Fund Balances, Beginning</b>	<u>3,337,681</u>
<b>Fund Balances, Ending</b>	<u>\$ 4,048,648</u>

The accompanying notes are an integral part of this statement.

**Tangipahoa Parish Library**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the year ended December 31, 2006**

Amounts reported for governmental activities in the Statement of Activities are different because:

**Net Change in Fund Balances, Total Governmental Funds, Statement E** **\$ 710,967**

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period net of other reconciling items related to capital assets, which are also not recorded on governmental funds.

Expenditures for capital assets	\$	204,895	
Plus:			
Donated Capital Assets		7,500	
Less:			
Loss on Disposition of assets		(210)	
Stolen destroyed or obsolete books from library collection		(92,632)	
Current year depreciation		<u>(69,703)</u>	49,850

**Change in Net Assets of Governmental Activities, Statement B** **\$ 760,817**

The accompanying notes are an integral part of this statement.

# Basic Financial Statements

## Notes to the Financial Statements

**Tangipahoa Parish Library**  
**Notes to the Financial Statements**  
**December 31, 2006**

**Introduction**

The Tangipahoa Parish Library (Library) was established by the governing authority under the provisions of Louisiana Statute (LSA-RS) 25:211. The Library provides citizens of the parish access to library materials, books, magazines, records, and films. The Library is governed by a Board of Control of seven members, which are appointed by the Tangipahoa Parish Government in accordance with the provisions of LSA RS 25:214. One member of the Tangipahoa Parish Government serves as an ex-officio member of the Board. The members of the Board of Control serve without pay. Primary financing is provided by ad valorem taxes and interest earned on investments.

**1. Summary of Significant Accounting Policies**

**A. Basis of Presentation**

The accompanying basic financial statements of the Tangipahoa Parish Library have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, issued in June 1999.

**B. Reporting Entity**

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the identification of a primary government unit for financial reporting purposes.

The Library does not possess all the corporate powers necessary to make it a legally separate entity from the Tangipahoa Parish Government, which holds the Library's corporate powers. For this reason, the Library is a component unit of the Tangipahoa Parish Government, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the Library and do not present information on the parish government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

**C. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all nonfiduciary activities of the Library. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Library's only fund, the general fund, is classified as a governmental type activity.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

**Tangipahoa Parish Library**  
**Notes to the Financial Statements**  
**December 31, 2006**

Separate financial statements are provided for governmental funds.

**D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources* measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, when applicable, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Library reports the following major governmental fund:

The *General Fund* is the Library's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has no business-type activities or enterprise funds.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes, if any.

When both restricted and unrestricted resources are available for use, it is the Library's policy to use restricted resources first, then unrestricted resources as they are needed.



**Tangipahoa Parish Library**  
**Notes to the Financial Statements**  
**December 31, 2006**

**E. Cash, Cash Equivalents and Investments**

The Library's cash and cash equivalents are considered to be cash on hand, demand deposits and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Library may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the Library may invest in United States bonds, treasury bonds, treasury notes or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

Investments for the Library are reported at fair value. The state investment pool (LAMP) operates in accordance with state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

**F. Receivables and Revenue**

Receivables are shown net of an allowance for uncollectible accounts, when uncollectible amounts are deemed material they are recorded as a reduction from revenue. Due to the length of time, typically up to six months, before ad valorem taxes on a previous year's ad valorem receivable become substantially collected, the uncollected ad valorem taxes on the previous year's receivable are taken as a reduction in the current year's ad valorem tax revenue. The Library has no allowance for uncollectible property taxes at December 31, 2006, because the amount is still not readily determinable. However the amount has been reduced by uncollected property taxes from the December 31, 2005 ad valorem tax receivable of \$54,377, which is approximately three percent of the prior year receivable.

**G. Capital Assets**

Capital assets, which include the library collection, equipment, furniture and facility improvements are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Library maintains a threshold level of \$500 or more for capitalizing capital assets, with the exception of leasehold improvements, which require a \$25,000 threshold.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

All capital assets, other than the library collection, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Equipment	3 - 10 Years
Furniture and Fixtures	3 - 12 Years
Vehicles	5 - 10 Years
Leasehold Improvements	- shorter of (1) the remaining lease term or (2) useful life of the improvement

**Tangipahoa Parish Library**  
**Notes to the Financial Statements**  
**December 31, 2006**

The Library board has adopted the policy that the library collection will be reported on a composite basis by making adjustments to total value to reflect increases or decreases in total value.

**H. Compensated Absences**

The Library has the following policy related to vacation and sick leave:

Permanent employees of the Library earn from nine to twenty days of vacation leave each year, depending on their length of service and job classification. Annual leave may be accumulated up to one and a half times the total annual leave, but only one half of total annual leave may be carried over from one year to another, with minor exceptions. Upon separation, employees are paid at their current rate of pay for accrued leave up to a maximum of three weeks. Employees earn thirteen days of sick leave each year. Sick leave may be accumulated up to 300 hours, but upon separation any accumulated sick leave is forfeited.

In accordance with GASB-16, *Accounting for Compensated Absences*, no liability has been accrued for unused employee sick leave.

**I. Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**J. Net Assets**

GASB Statement No. 34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*, requires classification of net assets, the difference between the Library's assets and liabilities, into three components, as described below:

1. Invested in capital assets - This component of net assets, including restricted capital assets, net of accumulated depreciation and normally reduced by the outstanding balances of any bonds, or indebtedness attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net asset calculation as unspent proceeds. However since the Library can not legally hold long term indebtedness, there will not be the need for any reduction due to debt.
2. Restricted - This component of net assets consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. As of December 31, 2006, this Library had no recorded restricted net assets.
3. Unrestricted - This component of net assets consists of net assets that do not meet the definition of "restricted" or "invested in capital assets".

**Tangipahoa Parish Library**  
**Notes to the Financial Statements**  
**December 31, 2006**

**K. Comparative Data/Reclassifications**

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**L. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the Library, which are either unusual in nature or infrequent in occurrence.

**M. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

**N. Reconciliations of Government-Wide and Fund Financial Statements**

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets is presented in Statement D of the basic financial statements. Explanation of certain differences between the governmental fund statement of revenues, expenses, and changes in fund balances and the government-wide statement of activities is presented in Statement F of the basic financial statements.

**Tangipahoa Parish Library**  
**Notes to the Financial Statements**  
**December 31, 2006**

**2. Stewardship, Compliance and Accountability**

The Library adopts a budget for the General Fund on the modified accrual basis each year in accordance with generally accepted accounting principles (GAAP). The budget for the fiscal year ended December 31, 2006, was legally adopted on December 12, 2005. The budget is monitored by the Board of Control and amended by the Tangipahoa Parish Government as needed at the request of the Board of Control. The budget was not amended for the fiscal year ended December 31, 2006. Unexpended budget balances lapse at year-end.

**3. Cash and Cash Equivalents**

At December 31, 2006, the Library has cash and cash equivalents (book balances) as follows:

	December 31, 2006	December 31, 2005
Interest-bearing demand deposit	\$ 3,233	\$ 1,102
Cash on hand	50	50
	<u>\$ 3,283</u>	<u>\$ 1,152</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2006, the Library has \$12,619 in deposits (collected bank balances). These deposits are secured from risk by federal deposit insurance.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Library that the fiscal agent has failed to pay deposited funds upon demand.

**Tangipahoa Parish Library**  
**Notes to the Financial Statements**  
**December 31, 2006**

**4. Investments**

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the Library or its agent in the Library's name
2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Library's name
3. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Library's name.

All investments held by the Library fall into Category I credit risk, defined as "insured or registered, or securities held by the Library or its agent in the Library's name". In accordance with GASB 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, all investments are carried at fair market value, with the estimated fair market value based on quoted market prices.

At December 31, 2006, the Library has

	<u>Carrying Amount</u>	<u>Fair Market Value</u>
Louisiana Asset Management Pool	\$ 2,202,801	\$ 2,202,801

The investment in the Louisiana Asset Management Pool (LAMP), an external investment pool, is stated at the value of the pool shares, which is the same as fair market value. In accordance with GASB Codification Section 150.165, the investment in LAMP at December 31, 2006, is not categorized in the three risk categories provided by GASB Codification Section 150.164 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a nonprofit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. The corporation is governed by a board of directors comprising the State Treasurer, representatives from various organizations of local government, the Government Finance Office Association of Louisiana, and the Society of Louisiana CPA's. LAMP is not registered with the Securities and Exchange Commission as an investment company. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

**Tangipahoa Parish Library**  
**Notes to the Financial Statements**  
**December 31, 2006**

LAMP, Inc. issues an annual publicly available financial report that includes financial statements and required supplementary information for LAMP, Inc. That report may be obtained by writing to LAMP, Inc., 228 Saint Charles Avenue, Suite 1123, New Orleans, Louisiana 70130, or by calling (504) 525-5267.

**5. Receivables and Revenue**

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes were levied by the Tangipahoa Parish Assessor in October and billed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

The Tangipahoa Parish Sheriff on behalf of the Library bills, collects, and remits the property taxes using the assessed values determined by the tax assessor of Tangipahoa Parish. The following is a summary of authorized and levied ad valorem taxes:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date of Millage</u>
General Fund - Ad Valorem	3.00 mills	\$ 1,028,340	10/01/08
General Fund - Ad Valorem	2.81 mills	963,202	10/01/14

The Governmental Fund accounts receivable at December 31, 2006 and 2005 consist of the following:

	<u>General Fund</u>	
<b>Government Receivables</b>	<u>2006</u>	<u>2005</u>
Taxes:		
Ad Valorem	\$ 1,937,411	\$ 1,871,424
Intergovernmental:		
State Revenue Sharing	101,326	101,346
Other	131	1,203
<b>Total Government Receivables</b>	<u>\$ 2,038,868</u>	<u>\$ 1,973,973</u>

An allowance account for ad valorem taxes receivable is not considered necessary, because any uncollected taxes are treated as a reduction of the subsequent year's ad valorem tax revenue due to the typical length of time to substantially collect the receivable per the significant accounting policies in note 1 section F of this report.

**Tangipahoa Parish Library**  
**Notes to the Financial Statements**  
**December 31, 2006**

**6. Capital Assets**

Capital assets and depreciation activity as of and for the year ended December 31, 2006 for governmental activities is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities Capital Assets:</b>				
Capital Assets Not Being Depreciated:				
Library Collection	\$ 3,191,846	\$ 136,800	\$ 92,632	\$ 3,236,014
Total Capital Assets Not Being Depreciated	<u>3,191,846</u>	<u>136,800</u>	<u>92,632</u>	<u>3,236,014</u>
Capital Assets Being Depreciated:				
Equipment and Furniture	\$ 549,538	\$ 75,595	\$ 120,834	\$ 504,299
Vehicles	158,882	-	-	158,882
Leasehold Improvements	175,971	-	-	175,971
Total Capital Assets Being Depreciated	<u>884,391</u>	<u>75,595</u>	<u>120,834</u>	<u>839,152</u>
Less Accumulated Depreciation for:				
Equipment and Furniture	423,661	44,743	120,624	347,780
Vehicles	142,348	9,835	-	152,183
Leasehold Improvements	104,768	15,125	-	119,893
Total Accumulated Depreciation	<u>670,777</u>	<u>69,703</u>	<u>120,624</u>	<u>619,856</u>
Total Capital Assets Being Depreciated, Net	<u>213,614</u>	<u>5,892</u>	<u>210</u>	<u>219,296</u>
<b>Total Governmental Activities Capital Assets, Net</b>	<u><u>\$ 3,405,460</u></u>	<u><u>\$ 142,692</u></u>	<u><u>\$ 92,842</u></u>	<u><u>\$ 3,455,310</u></u>
Depreciation was charged to governmental functions as follows:				
Library Services				\$ <u>69,703</u>
				<u><u>\$ 69,703</u></u>

**7. Pension Plan**

*Plan Description.* Substantially all employees of the Tangipahoa Parish Library are members of the Parochial Employees Retirement System of Louisiana (System), a cost sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the library are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from Library funds and all elected parish officials are eligible to participate in the System. Under plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only prior to January 1, 1980, the benefit is equal to one per cent of final average salary plus \$24 for each year of supplemental-plan-only service earned prior to January 1, 1980.

**Tangipahoa Parish Library**  
**Notes to the Financial Statements**  
**December 31, 2006**

Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employee's Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

*Funding Policy.* Under Plan A, members are required by state statute to contribute 9.5 percent of their annual covered salary and the Library is required to contribute at an actuarially determined rate. The current rate is 12.75 percent of the annual covered payroll. Contributions to the System also include one-fourth of one per cent of the taxes shown to be collectible by the tax rolls of each parish (except Orleans and East Baton Rouge Parishes). These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Tangipahoa Parish Library are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation of the prior fiscal year. The Tangipahoa Parish Library's contributions to the System under Plan A for the year ending December 31, 2006 and 2005, were \$61,217 and \$53,350, respectively, equal to the required contribution for each year.

#### **8. Compensated Absences**

At December 31, 2006, employees of the Library have accumulated and vested \$18,355 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. The total amount of \$18,355 accrued vacation leave is recorded as an obligation of the general fund.

#### **9. Leases**

At December 31, 2006, the Library has operating leases of the following nature:

- Tangipahoa Parish Library rents a building for the operation of the Amite branch on a month to month basis for \$2,700 per month. Total rent expense was \$32,400.
- The Tangipahoa Parish Library rents a building for the operation of the Hammond branch from the Tangipahoa Parish Government at a monthly rate of \$3,400. Total rent expense was \$40,800.



**Tangipahoa Parish Library**  
**Notes to the Financial Statements**  
**December 31, 2006**

**10. Accounts, Salaries, and Other Payables**

The Governmental Funds payables at December 31, 2006 and 2005 consist of the following:

<b>Governmental Funds Payable</b>	<b>General Fund</b>	
	<b>2006</b>	<b>2005</b>
Accounts		
Accrued Expenses	\$ 21,713	\$ 42,256
Retirement	25,409	-
Other		
Accrued Salaries	21,298	19,653
Annual Leave	18,355	17,258
<b>Total Government Funds Payable</b>	<b>\$ 86,775</b>	<b>\$ 79,167</b>

**11. Other Matters**

The Library received a funding commitment decision letter in the amount of \$61,906. The Library can request this money as a reimbursement or take it in the form of reduced telephone bills. The funding year covered by this letter is July 1, 2006 through June 30, 2007. As of the date of this report, the Library had not prepared either form to request the committed funds.

**12. Risk Management**

The Library is exposed to various risks of loss related to theft, damage, or destruction of assets, torts, injuries, natural disasters, and many other unforeseeable events. The Library purchases commercial insurance policies and bonds for any and all claims related to the aforementioned risks. The Library's payment of the insurance policy deductible is the only liability associated with these policies and bonds. There has been no significant decrease in insurance coverage from the prior year, and the amount of settlements has not exceeded the insurance coverage for the past three fiscal years.

**13. Contingent Liabilities**

At December 31, 2006, the Library was not involved in any outstanding litigation or claims.

**14. Subsequent Events**

The Library received the 2007 Summer Reading Program grant in the amount of \$4,674.

## Required Supplemental Information (Part II)

## Schedule 1

**Tangipahoa Parish Library**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**  
**General Fund - Summary**  
**For the year ended December 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	<u>Favorable (Unfavorable)</u>
<b>Revenues</b>				
Ad Valorem Taxes	\$ 1,600,000	\$ 1,600,000	\$ 1,941,142	\$ 341,142
State Revenue Sharing	150,000	150,000	152,062	2,062
Fines and Fees	42,550	42,550	61,562	19,012
Grants	32,956	32,956	69,299	36,343
Interest	55,000	55,000	137,040	82,040
Miscellaneous	2,750	2,750	7,348	4,598
<b>Total Revenues</b>	<u>1,883,256</u>	<u>1,883,256</u>	<u>2,368,453</u>	<u>485,197</u>
<b>Expenditures</b>				
Library Services				
Personnel Services				
Salaries	600,000	600,000	550,087	49,913
Benefits	306,000	306,000	272,431	33,569
Payroll Taxes	16,000	16,000	11,023	4,977
Operating Services				
Automation of Records	47,000	47,000	37,840	9,160
Communications	124,000	124,000	121,725	2,275
Insurance	60,000	60,000	55,366	4,634
Intergovernmental Expenditures	40,000	40,000	79,410	(39,410)
Other operating	56,000	56,000	28,171	27,829
Professional Fees	45,000	45,000	27,860	17,140
Rent	78,000	78,000	73,856	4,144
Repairs and Maintenance	85,000	85,000	98,280	(13,280)
Supplies	70,000	70,000	60,623	9,377
Utilities	80,000	80,000	74,813	5,187
Capital Outlays	235,000	235,000	204,895	30,105
<b>Total Expenditures</b>	<u>1,842,000</u>	<u>1,842,000</u>	<u>1,696,380</u>	<u>145,620</u>
<b>Excess Revenues (Expenditures)</b>	<u>41,256</u>	<u>41,256</u>	<u>672,073</u>	<u>630,817</u>
<b>Other Financing Sources (Uses)</b>				
Other Revenue - Insurance Proceeds	-	-	38,894	38,894
Co-Operative Endeavor Agreement-Amite	(750,000)	(750,000)	-	750,000
<b>Total Other Financing Sources (Uses)</b>	<u>(750,000)</u>	<u>(750,000)</u>	<u>38,894</u>	<u>788,894</u>
<b>Net Change in Fund Balances</b>	<u>(708,744)</u>	<u>(708,744)</u>	<u>710,967</u>	<u>1,419,711</u>
<b>Fund Balances, Beginning</b>	<u>3,337,681</u>	<u>3,337,681</u>	<u>3,337,681</u>	<u>-</u>
<b>Fund Balances, Ending</b>	<u>\$ 2,628,937</u>	<u>\$ 2,628,937</u>	<u>\$ 4,048,648</u>	<u>\$ 1,419,711</u>

See independent auditor's report.

## Other Supplemental Information

## Schedule 2

**Schedule of Compensation Paid to Board Members  
For the year ended December 31, 2006**

<u>Name and Title / Contact Number</u>	<u>Address</u>	<u>Compensation Received</u>	<u>Term Expires</u>
Ginger Daughdrill, President (985) 345-2376	2002 Dennis Drive Hammond, LA 70401	\$ -	January 2010
A.J. Bodker, Vice President (985) 386-3902	2064 Angela Drive Ponchatoula, LA 70454	-	January 2009
Gloria Vinyard, Treasurer (985) 542-8313	49274 Ravenwood Drive Loranger, LA 70446	-	April 2010
Quincy Walker (985) 229-5280	60035 Charles McDaniel Road Kentwood, LA 70444	-	January 2006
Martha Ebrecht (985) 386-3902	P.O. Box 1076 Ponchatoula, LA 70454	-	July 2006
Wayne Bridges (985) 748-5248	602 Hardy Street Amite, LA 70422	-	April 2007
Jim Alexander (985) 748-9517	18348 Highway 16 Amite, LA 70422	-	January 2008
Jim Sledge (985) 345-8479	P.O. Box 1477 Hammond, LA 70404	-	July 2011
Shelia Broyles (985) 229-2209	401 Avenue E Kentwood, LA 70444	-	April 2011
Lionell Wells, Ex-Officio (985) 542-1499	1700 Mooney Avenue Hammond, LA 70403	N/A	N/A
		\$ <u>          </u>	

See Independent Auditor's Report.

**Tangipahoa Parish Library  
Summary Schedule of Prior Year Audit Findings  
For the year ended December 31, 2006**

**Section I - Internal Control and Compliance Material to the Financial Statements**

No Findings for Section I.

**Section II - Internal Control and Compliance Material to the Federal Awards**

Not Applicable.

**Section III - Management Letter**

No Findings for Section III.

**Tangipahoa Parish Library  
Corrective Action Plan for Current Year Findings  
For the year ended December 31, 2006**

**Section I - Internal Control and Compliance Material to the Financial Statements**

No Findings for Section I.

**Section II - Internal Control and Compliance Material to the Federal Awards**

Not Applicable.

**Section III - Management Letter**

No Findings for Section III.

Bruce C. Harrell, CPA

Dale H. Jones, CPA  
Eric J. Rodrigue, CPA

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[www.teamcpa.com](http://www.teamcpa.com)

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American Institute of CPAs  
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BRUCE HARRELL  
and COMPANY

CERTIFIED PUBLIC ACCOUNTANTS  
A Professional Accounting Corporation

109 West Minnesota Park  
Park Place Suite 7  
Hammond, LA 70403  
VOICE: (985) 542-6372  
FAX: (985) 345-3156

KENTWOOD OFFICE  
P.O. Box 45 - 909 Avenue G  
Kentwood, LA 70444  
VOICE: (985) 229-5955  
FAX: (985) 229-5951

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Control  
Tangipahoa Parish Library  
Amite, Louisiana 70422

We have audited the governmental activities and each major fund of the Tangipahoa Parish Library, as of and for the year ended December 31, 2006, and have issued our report thereon dated May 25, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Tangipahoa Parish Library's, financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Tangipahoa Parish Library's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the Tangipahoa Parish Library's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Tangipahoa Parish Library's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there



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is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

This report is intended for the information of management and the Louisiana Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and is distributed by the Legislative Auditor as a public document in accordance with Louisiana Revised Statutes S24:513.

A handwritten signature in cursive script that reads "Bruce Harrell & Co.".

Bruce Harrell & Company, CPAs  
A Professional Accounting Corporation  
May 25, 2007